

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 98-820

June 5, 2001

BANGOR HYDRO-ELECTRIC COMPANY
Request for Approval of Sale of Generation
Assets

CORRECTED
ORDER EXTENDING
DEADLINE FOR DIVESTITURE
OF GENERATION ASSET

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

We extend the deadline for Bangor Hydro-Electric Company (BHE) to divest the Sebec dam until January 31, 2003.

By Order of March 17, 2000 in this docket, we authorized BHE to transfer the Sebec dam and certain land adjacent to the dam to Swift River Hafslund L.L.C. (Swift River). We also extended the deadline of the transfer to Swift River from March 1, 2000 to July 1, 2000. On August 21, 2000, we extended the deadline to April 1, 2001.

BHE has moved to extend the deadline to divest the Sebec dam to January 31, 2003. The Sebec dam is leased to Swift River, and is used to maintain water levels at Sebec Lake and to divert outflow to Swift River's hydro facility. BHE and Swift River have a Purchased Power Agreement (PPA) as to the hydro facility. BHE's lease revenue from the Sebec dam is a function of the PPA revenue Swift River is paid. In seeking and receiving authorization to transfer the Sebec dam to Swift River for no consideration, BHE assumed that Swift River would receive less PPA revenue after 1999. BHE states that Swift River and BHE now dispute the proper post-1999 PPA revenue. That dispute is now in an arbitration process. BHE states that, until the PPA dispute is resolved, BHE cannot be certain that its plan to give up the Sebec dam lease revenue produces the greatest stranded cost mitigation. Given the time necessary to arbitrate the dispute, BHE now estimates that January 31, 2003 is a realistic deadline for divestiture.¹

We accept the reasons offered by BHE for extending the divestiture deadline until after its dispute with Swift River is resolved. After the dispute is resolved, BHE should execute its current divestiture plan for the Sebec dam, if that plan still produces the greatest stranded cost mitigation, or devise a new plan for Commission approval that will produce the greatest stranded cost mitigation.

¹ If BHE should lose the arbitration, the Company likely will need to change its divestiture plan.

Accordingly, we

O R D E R

That the deadline for Bangor Hydro-Electric Company to divest its interest in the Sebec dam is extended until January 31, 2003.

Dated at Augusta, Maine, this 5th day of June, 2001.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR:

Nugent
Diamond
Welch

COMMISSIONER ABSENT:

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Civil Procedure, Rule 73, et seq.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.